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REMARKS
of the Retiring Chairman
MR. JOHN D. ROCKEFELLER, JR.

AT THE MEETING OF
THE ROCKEFELLER FOUNDATION

April 3, 1940

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THE ROCKEFELLER FOUNDATION

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Remarks of the Retiring Chairman

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Dec. 1, 1912
MR. JOHN D. ROCKEFELLER, JR.

AT THE MEETING OF

THE ROCKEFELLER FOUNDATION

APRIL 3, 1940

AT THE close of today's session my happy association with this Board, beginning with the incorporation of the Foundation in the spring of 1913, and continuing during the twenty-seven years of its existence, will terminate with my retirement. Since the service of no other present member of the Board covers this entire period, it may not be inappropriate for me to speak of the early days of the Foundation and of some aspects of its work less generally known, also to say a word regarding the future.

The Rockefeller Foundation was established with the background of ten years or more of experience in the operation of the Rockefeller Institute and the General Education Board. This experience had demonstrated the wisdom and fruitfulness of entrusting, with wide discretion, substantial sums of money to representative citizens to be used in specific fields for the benefit of society.

The establishment of the Foundation, with the world as its field and any and all aspects of human need and betterment as its possible objectives, was, therefore, only a

natural development of organized philanthropy on a large scale, freed of all geographical and humanitarian limitations. Setting forth its purpose as the advancement of the well-being of mankind throughout the world a federal charter was sought, as in the case of the General Education Board.

To that end a bill was introduced in the Senate of the United States on March 2, 1910. The bill was referred to the Committee on the District of Columbia and on March 11 Mr. Starr J. Murphy, counsel for our office, who had drawn the bill, appeared before the Committee. On March 16, five days later, the bill was approved by the Committee, reported back to the Senate with one inconsequential amendment and the recommendation that it be passed. While it was confidently expected there would be no objection, that was not the case. With the publication of the bill there was a flood of newspaper comment. People were frightened at the liberal nature of the charter and the magnitude of the proposed fund, which rumor had it was to be a hundred million dollars. Much of the criticism was based on misunderstanding or prejudice. A great deal, also, was politically motivated. It was a time of "trust busting," of "tainted money" controversy. As the *Chicago Inter Ocean* said editorially (April 17, 1912):

"It can be conservatively stated, that at this season of inflamed patriotism it would be foolish for Mr. Rockefeller to approach Congress even with a request to be permitted to donate his whole fortune to the government, to be used as Congress might see fit for the alleviation of the ills of the country as a whole.

"It is also safe to say that if Mr. Rockefeller should

presume at the present time to ask Congress to sanction in some way his retirement to a monastery, or a trip to the Holy Land, or a gift of several millions to the famine sufferers in China, or a resolution to devote the rest of his life to good works in behalf of humanity, or anything else that might be mentioned, he would only be wasting his breath.

“At the mere suggestion of such an unheard-of and outrageous proceeding the patriots would rise with one voice and demand that the insidious, undemocratic, dangerous and unpatriotic proposal be thrown into the wastebasket and that Mr. Rockefeller be duly warned that such attempts to subvert the very foundations of republican government would never deceive the statesmen of America.”

Not all the criticism, of course, was hostile. There were some critics who considered the proposal a wise and far-seeing project for the uplift of mankind. They saw in the plan as one writer put it, “a force for good as dazzling to contemplate as the fortune itself.” Another writer characterized it as “a great philanthropic trust organized by the same genius that had created the Standard Oil Company and guided by men who had been chosen by Mr. Rockefeller because they were experts in the philanthropic and educational fields.” Still another writer said, “It is the greatest aggregate of money directed by the highest intelligence, working with the most complete and perfect system—what may it not do to combat ignorance, disease and suffering?”

Most important among the constructive critics was a group of social workers led by Dr. Edward T. Devine,

Secretary of the Charity Organization Society of New York and Associate Editor of *The Survey*. Through the columns of *The Survey* pressure was brought to bring about certain amendments. The criticism was directed, in particular, toward giving the Government a voice in the selection of Trustees, either by election of Congress or by appointment of the President; limiting the size of the endowment by preventing the accumulation of income and providing for a definite date of termination as against the holding of any funds in perpetuity.

These criticisms had been answered at length by Mr. Murphy before the Senate Committee. However, since there was objection in the Senate, and in view of the public attitude, it was moved, on March 22, that the bill go over and be considered at some later day. Before the bill was brought up again, Congress had adjourned. Some fifteen months later, Mr. Jerome D. Greene, who in 1910 had become General Manager of the Rockefeller Institute, offered to undertake to secure a federal charter for the Foundation. Accordingly, on June 8, 1911 a new bill was introduced in the Senate incorporating five significant changes made largely as a concession to public criticism. Briefly, they provided: that the fund should be limited to \$100,000,000 and Congress specifically given the right to impose such limitations on the corporation from time to time as the public interest might demand; that income should not be accumulated; that fifty years after the receipt of any gift, the principal as well as the income thereof might be distributed, and after one hundred years the entire principal was to be distributed if Congress should so direct; that the self-perpetuating clause should be modi-

fied, giving a veto power over the election of new members to a majority of the following persons—the President of the United States, the Chief Justice of the Supreme Court, the President of the Senate, the Speaker of the House of Representatives and the Presidents of Harvard, Yale, Columbia, Johns Hopkins Universities and the University of Chicago; that the tax exempt provision should be limited to the United States or any territory or district thereof and not apply to property that would otherwise be taxable in any state.

But the Senate did not pass the bill even as amended and on February 1, 1912 it was introduced in the House. There it was referred to the Committee on the Judiciary and three minor amendments were made. With these changes it was favorably reported to the House with the recommendation that it pass. Accompanying the report of the Committee was a statement by Mr. Greene drawing attention to the changes which had been made since the bill was first introduced in the Senate in 1910, explaining more fully the purpose of the proposed foundation and pointing out at length some of the accomplishments of the General Education Board and the Rockefeller Institute as illustrative of the kind of public service such a foundation was capable of rendering.

The report of the Committee placed the bill on the Calendar of Unanimous Consent with the expectation that it would pass without objection, when it came before the House on April 15. The contrary was the fact, however, and a number of objectors rose to their feet. The following quotations indicate the vague character of these objections, raised largely through fear:

"I am opposed, on principle," one Congressman said, "to special charters being granted by Congress. I do not know precisely what the provisions of this bill are, but I fear that under the guise of an eleemosynary corporation, they will be permitted to transact business of all kinds and character in competition with the citizens of this country who have to make a living."

Another Congressman said he had opposed the bill from the outset and would continue to oppose it whenever it came up since there must be "a nigger in the woodpile." Still another opposed it because of his fear of its effect on labor; another, in the interest of the farmer and small land owner. To him, the danger of the charter lay in the fact that there was nothing to prevent Mr. Rockefeller from investing his enormous endowment in real estate. One hundred million dollars worth of farm lands could easily grow to a billion, and "upon that billion dollars worth of real estate," to quote the Congressman, "would be a tenantry as much subject to Rockefeller and his tribe as have been the unhappy citizens of old Ireland to the English landlords in days gone by."

On the other hand, the Press remarked with some contempt that there was not much danger of a little corporation like The Rockefeller Foundation, with a capital of only one hundred millions of dollars, seriously competing with the United States Government, a corporation that spent a billion dollars a year without turning a hair. The proposal had been treated as if the Foundation were going to represent the creation in some mysterious way, of new and unheard-of wealth. That wealth was already in ex-

istence—specifically in individual hands—and it was perfectly possible for it to pass almost indefinitely by inheritance into other private hands, to be spent for selfish ends or to be held for further accumulation. It had been said that “colossal wealth in private hands is always a menace.” If so, how much better in the interest of society was the voluntary submission of a large part of that wealth to legal limitation and supervision.

Three years had passed since the first request for a federal charter was made to Congress. With the beginning of 1913, although the chances of securing such a charter were waning, my father's original purpose to devote further large sums to the public good was unshaken. To insure the consummation of that purpose, irrespective of what action Congress might take, on January 6, 1913 he established a Charitable Trust of which he and I, Mr. Murphy, Mr. Greene and Mr. Edward L. Ballard were the Trustees. To the trust he made an initial gift in securities of \$3,200,000 with the proviso that, if and when a Foundation charter were secured, it should be turned over to that corporation immediately and the trust dissolved. In the meantime the fight in Congress had been going on and regardless of the objections above referred to, after a lapse of ten months, the bill passed the House on January 20, 1913 by a substantial majority of a hundred and fifty-two to sixty-five. The following day it was put once more in the hands of the Senate Judiciary Committee and a month later the Committee reported the bill to the Senate without amendment. The decision of the Committee, however, had not been unanimous and, in spite of the many safeguards that had been incorporated in the bill since its in-

introduction in the Senate in 1910, there was still apprehension. The dissenting minority, in its opinion which went to the Senate with the Committee's report, said:

"Will it not be in effect the protection and perpetuation . . . of the great monopolies in which Mr. Rockefeller is the dominating personality? And if this be true, what connection will this corporation bear to the combinations, the securities of which it holds, and upon the success of which its existence depends?"

As indicative of how utterly the public misjudged the motives of the man who was seeking in this large way to make his wealth serve more widely the needs of humanity, I quote the following provision common to the several letters of gift from the Founder which, within a year after the Foundation was finally established, brought its resources up to \$100,000,000:

"It is more convenient for me to provide funds for the Foundation by gift of these specific securities (of which a list is enclosed) rather than by a gift of cash and I believe the securities have intrinsic and permanent value which would justify you in retaining them as investments; but in order to relieve you from any uncertainty or embarrassment with regard to them, I desire to state specifically that you are under no obligation to retain any of these investments but are at liberty to dispose of them or any of them and change the form of investment whenever in your judgment it seems wise to do so."

It is difficult to believe that a man, seeking to protect and perpetuate great monopolies, would have thus insured such complete freedom of action.

The bill failed to pass the Senate. In explanation of that failure Mr. Greene said:

"The only trouble was . . . the bill reached the Senate calendar so near the end of the session that it had no chance of reaching the floor of the Senate unless it were brought up by unanimous consent and there were always a few senators on hand to block a motion for unanimous consent."

But Mr. Greene's chagrin at having failed to get a charter from Congress for which he had worked practically single handed, was, I think, more than offset by what he has since referred to as the most flattering recognition which his work obtained—namely, an article in the Winona, Minnesota, *Free Press*, to the effect that John D. Rockefeller, in the effort to obtain a federal charter for his Foundation, was represented by "the most powerful lobby ever seen in Washington."

Since three years had been consumed in the fruitless attempt to get a federal charter, it was decided to abandon the effort and a charter from the State of New York was immediately sought. The bill passed the State legislature in April and was signed by the Governor on May 14, 1913.

As thus incorporated, the charter of the Foundation was virtually the same as that first proposed to Congress, without the hampering limitations subsequently added in the endeavor to allay public apprehension but wholly contrary to the best judgment of its authors. It provided, in

effect, an organization virtually unrestricted with the broad purpose "to promote the well-being of mankind throughout the world."

The first Board of Trustees consisted of:

JOHN D. ROCKEFELLER, who served 11 years but never attended a meeting.

SIMON FLEXNER, Pathologist, Director of The Rockefeller Institute for Medical Research, critical in analysis, dependable in judgment, candid in expression, whose considered opinion on any subject carried profound weight, 17 years.

FREDERICK T. GATES, Clergyman, for many years closely associated with the Founder in connection with various business, educational and philanthropic interests, endowed with an extraordinarily fertile and penetrating mind, who made a large contribution to the development of wise, sound and broad policies in the early years of the Foundation's history, 11 years.

JEROME D. GREENE, Secretary to the Corporation and Secretary of the Board of Overseers, Harvard University, two terms totalling 16 years, with an interim between the two of over a decade.

CHARLES O. HEYDT, of the Founder's office, 4 years.

HARRY PRATT JUDSON, President, University of Chicago, 11 years.

STARR J. MURPHY, Lawyer associated with the Founder's office, 8 years.

JOHN D. ROCKEFELLER, JR., who has served 27 years.

✓ WICKLIFFE ROSE, Educator, Secretary of the Rockefeller Sanitary Commission; General Director, International Health Board; President, General Education Board; President, International Education Board; with a most brilliant and constructive mind, 16 years.

Your Chairman was the first President and Mr. Greene, who came into our office in 1912, the Secretary and executive officer. "There was a brief time in my little room at 26 Broadway," Mr. Greene has since said, "when one secretary with one four-drawer file constituted the staff and equipment of The Rockefeller Foundation."

The General Education Board was founded on the theory that the sums given it for principal account should be held and the income only used. However, the unwisdom of tying up monies indefinitely had gradually been borne in on the Founder, and all restrictions were subsequently removed. This theory of unrestricted principal as well as income obtained in the Foundation from the outset. The only exception related temporarily to a limited portion of income. In making one of his early gifts the Founder reserved to himself the right to designate the uses to which two millions of annual income therefrom should be devoted. But within three years that limitation was withdrawn.

At the outset the Foundation experimented with small gifts in many fields. It soon became evident, however, that concentration in a few outstanding fields, where pioneer work could be done and standards established, offered larger returns in public benefit. One of the first things the Secretary did was to prepare for the Trustees' considera-

tion an exhaustive report entitled, "Future Organization of The Rockefeller Foundation." This report outlined general principles and policies to govern the Foundation; suggested, it is interesting to note, the establishment of a Public Council of the Foundation, to be composed of one officially appointed representative from each state of the Union and, possibly, from each important foreign country, also a dozen or more representatives at large to be appointed by the Foundation; and indicated certain general fields and areas with which the Foundation might concern itself. These included: a special commission to study educational and medical needs in the Far East; also, a commission to make a similar study in the Near East; a conference on alcoholism—representatives to be invited not only from all parts of the United States, but from Europe as well; a conference on the subject of venereal diseases with special reference to public health control and provision for hospital treatment; a conference on the subject of mental hygiene; and a conference of economists and others to discuss the desirability of a research institution to study the causes of economic and social evils.

From the above, it is evident that the Foundation faced at the outset the broad responsibilities which its opportunities for service laid upon it and accepted literally the charter provision that the world was its field.

Three major fields were entered almost at the beginning: the field of public health, by the establishment of the International Health Commission, June 27, 1913; the field of medical education in China, by the establishment of the China Medical Board, November 30, 1914; and the field of industrial relations, by the appointment of Mr. W. L.

Mackenzie King, August 13, 1914. Since the work in industrial relations was soon abandoned and less is known about what was attempted, I will speak of it first.

The conference, suggested in the Secretary's report, to discuss the establishment of a research institution for the study of social and economic problems, was held forthwith and a committee of leading economists was formed to consider the desirability of setting up a so-called Institute for Economic Research. The committee made its report but no affirmative action was taken by the Foundation. It was decided instead to undertake an investigation of industrial relations. The outstanding man in that field, because of his experience in actual contact with labor disputes and because of the large contributions he had already made to the betterment of labor conditions, was Mr. W. L. Mackenzie King, now Prime Minister of Canada, former Deputy Minister and Minister of Labor in the Dominion and the author of the Canadian Industrial Disputes Investigation Act. Mr. King was offered the appointment and began his work with the Foundation on October 1, 1914. The purpose of the Foundation in entering this field was set forth in the following public announcement:

"In facing the problem of Industrial Relations, the Rockefeller Foundation is deliberately attempting to grapple with what it believes to be the most complicated, and, at the same time, the most urgent question of modern times . . . It is hoped that an investigation instituted on the scale, and impartially and persistently pursued in the spirit and with the facilities

which the Foundation affords, will gradually win for itself the cooperation, not alone of employers and workingmen, of industrial organizations, of individuals and institutions interested in social reform, but also of universities and governments throughout the world."

The announcement that the Foundation had undertaken the study of industrial relations was made the subject of special inquiry by President Wilson's United States Commission on Industrial Relations then in session, of which Frank P. Walsh was Chairman. A large number of questions were addressed by the Commission to the Foundation in November and December 1914 covering the history, organization, financial resources, and the activities of the Foundation and its Trustees. During the months of January and February 1915 the Commission held public hearings in New York City, at which the following members and officers of the Foundation were called to testify: John D. Rockefeller, Sr., John D. Rockefeller, Jr., Charles W. Eliot, A. Barton Hepburn, and Jerome D. Greene.

While much attention was given by the Commission to certain doubts and fears as to the powers of large foundations, it was apparent that what chiefly concerned it was the supposed danger of abuse rather than any actual tendencies to be found in the acts of the Foundation or its associated Boards.

It had been intended that at the outset Mr. King should undertake investigations in the leading countries of the world in the hope that as a result he might be in a position to make suggestions concerning industrial and

social policies. The outbreak of the war, however, made this impossible, therefore Mr. King devoted his first months to a careful study of the best approach to his subject.

Early in 1915 he decided to concentrate his attention on conditions in the coal fields of the Middle West in order to get into close contact with the complicated factors of the industrial situation. This he did intensively and fruitfully for many months.

Wholly contrary to what had been expected, the motives of the Foundation in undertaking a study of industrial problems and relations were generally mistrusted by labor, apparently on the theory that so large an aggregation of capital as was represented by the Foundation could only have a sinister purpose in approaching the problems of the worker, which purpose supposedly must be to weaken the position of labor and strengthen the hands of capital. Ultimately, therefore, it became clear that the continuation of the Investigation of Industrial Relations could serve no useful purpose while, at the same time, it was arousing hostility in many quarters to the aims and purposes of the Foundation. Therefore, Mr. King's connection with the Foundation was terminated on January 23, 1918. Permission was later given him to publish the results of his studies on his own responsibility and under his own name. This was done in 1918 by Houghton Mifflin Company under the title, *Industry and Humanity*.

But what had been done by the Foundation through Mr. King was by no means wasted effort. Subsequently, entering into personal association with the Chairman of the Foundation, he made extensive surveys of industrial

relations in a number of large industrial corporations. Moreover, as an outgrowth of his work, the organization known as Industrial Relations Counselors was created by the Chairman and still continues to render an important service in improving the relations between employer and employee.

The International Health Commission—the name “Commission” was later changed to “Board” and finally to “Division”—was established on June 27, 1913 for “the promotion of public sanitation and the spread of the knowledge of scientific medicine with the world as its field.” At the outset it took over the program of the Rockefeller Sanitary Commission, founded by my father in 1909 to eradicate hookworm disease in the southern states and of which Dr. Wickliffe Rose was the director. How the International Health Commission carried the fight against hookworm to the infected countries all over the world; how it helped to develop departments of health and sanitation in forty-one countries and to establish eighteen schools and institutes of hygiene and public health in various parts of the world; how it made war on yellow fever under the leadership of General Gorgas,—who in 1913 had told me in Panama that it was the ambition of his life to stamp out that dread disease throughout the world,—enlisting in the fight a host of able scientists, outstanding among whom was Dr. Noguchi of the Rockefeller Institute, who lost his life while studying the disease in Africa; how it made extensive inroads on malaria; and how it carried on work in forty-one states of the United States and fifty-seven foreign countries, is too well known to require amplification. Suffice it to say that

no other department of the Foundation's work has had so far flung an influence on the well-being of mankind, nor has won for the Foundation such widespread recognition and genuine public appreciation.

I come now to the field of medical education in China. At the Williamsburg meeting last December the President read an historical sketch setting forth the Foundation's interest in the development of medicine in China. In that sketch he mentioned the three commissions sent to China beginning with 1908, the formation of the China Medical Board in 1914 as a subsidiary of the Foundation, and the building of the Peking Union Medical College. He also called attention to the establishment in 1928 of a new corporation known as the China Medical Board, Inc., wholly independent of The Rockefeller Foundation and supplanting the former China Medical Board. To this new Board, he pointed out, the Foundation gave \$12,000,000, the income of which was available for the support of the Peking Union Medical College or other indicated purposes.

May I supplement this narrative with a few words regarding the purpose for which the Peking Union Medical College was established and then speak of its future. The following quotations from an address made by your Chairman at the dedication of the College in 1921 bear on the first question:

"The purpose of The Rockefeller Foundation in establishing the Peking Union Medical College was to develop in China a medical school and hospital of a standard comparable with that of the leading institutions known to western civilization . . . While it was

intended that the College should lay emphasis upon the training of promising men and women for positions as teachers and investigators, it was, of course, realized that many of its graduates would enter the service of the community as well-equipped physicians and surgeons.

"It was also a part of the plan to provide short courses for medical missionaries and Chinese doctors throughout the Chinese Republic that they might be enabled to keep up with the rapid strides made by modern medicine and help to make of the greatest service the many useful medical enterprises which they were carrying on.

"But, above all, it was hoped that this new medical school might so commend itself to the Chinese people that it would stimulate them to develop similar institutions in various parts of China, for it was recognized from the outset that only the Chinese nation itself could cope with a task so colossal as the establishment of modern, scientific, medical education throughout the Republic and that all western civilization could do would be to point the way."

My father's personal interest in the institution is indicated by the following cable which he sent to be read at the dedication exercises:

"My highest hopes are centered on the Peking Union Medical College which is about to open its doors. May all who enter—whether faculty or students—be fired with the spirit of service and of sacrifice and may the institution become an ever-widening influence for the promotion of the physical, mental and spiritual well-being of the Chinese nation!"

In the dedicatory address just quoted, your Chairman went on to say:

“In order that one of the foremost objects in building up the Peking Union Medical College may be attained—namely, that the College may serve to stimulate the development by the Chinese people of similar institutions, *it is essential that the current cost of operating it should always be kept on a conservative level.* If a policy other than this is followed and a school set up here more expensive to maintain than comparable institutions in America and Europe, not only will a disservice have been rendered to the cause of medical education and hospital development throughout the world, but the Chinese people will not be so ready to undertake the creation and maintenance of similar institutions in other parts of the Chinese Republic.

“Clearly, whatever western civilization may have to offer China will be of little avail to the Chinese people unless it is taken over by them and becomes a part of the national life. So we must look forward to the day when most, if not all, of the positions on the faculty of the Peking Union Medical College will be held by Chinese; when the Board of Trustees, while embracing appointees of those bodies which founded the institution, as well as other representatives of western civilization in China, will include leading Chinese; and when such current support as the institution may need, beyond that provided by tuition fees and such endowment as may be set aside by its founders, shall be derived from Chinese gifts and governmental subsidies as is the case with medical

institutions of similar rank in other countries of the world."

What the Peking Union Medical College has accomplished to date was summarized in the President's Williamsburg report above referred to. It is a record of which we may well be proud. The financial aspect of the situation is this:

FOUNDATION CONTRIBUTIONS FOR THE PEKING UNION MEDICAL COLLEGE

Before endowment was set up:

(January 1, 1915 to December 31, 1928)

For land, buildings	
and equipment . . .	\$9,512,510.64
Operating budgets . . .	<u>7,551,812.27</u>
Total before endowment	\$17,064,322.91

After and including endowment:

(January 1, 1929 to June 30, 1939)

For endowment, China Medical Board, Inc.	
(1928)	\$12,000,000.00
Operating budgets . . .	<u>5,284,001.93</u>
Total after and including endowment	<u>17,284,001.93</u>
TOTAL OF ALL CONTRIBUTIONS	\$34,348,324.84

In the ten and a half years since the endowment fund was provided by the Foundation, that is, from January 1, 1929 to July 1, 1939—

The annual earnings from the endowment fund applied in toto to the budget have averaged..... \$512,799.58

The annual supplemental contributions from the Foundation to the budget have averaged..... 398,889.84

The annual total from these two sources applicable to the budget of the College has averaged..... 911,689.42

The endowment fund was established having in mind a yield of 5 per cent or \$600,000 annually. Its yield for the last fiscal year was \$384,335.50, just over 3 per cent. Looking to the future, it is hardly probable that more than 3 per cent can be expected currently. It was hoped in 1928 when the \$12,000,000 endowment was set up that, while current budget subsidies from the Foundation might still be necessary for a few years, receipts from Chinese sources would ultimately take their place. In the meantime, the coming of war has still further postponed the attainment of that final goal.

Three things, however, are clear: first, that the College as at present constituted cannot operate on the income from the \$12,000,000 endowment fund alone without retrenchments that would be almost suicidal; second, that the Foundation ought not to go on indefinitely making up current deficits; third, that to enable the College to con-

tinue to operate on a preferred basis, totally unlike all other educational institutions not alone in China but throughout the world, to protect it from the same drastic retrenchments common to all other institutions, would be wholly at variance with the purpose of the founders clearly set forth in the dedication address. It would, moreover, only put off still further the assimilating of the institution by the Chinese.

Before the expiration of the five-year period covered by the \$2,000,000 gift for current deficits made by the Foundation and included in the operating budgets above mentioned, the question of the relation of the Foundation to the future of the College will come up. It is the hope of your Chairman that if at that time world conditions justify, the Trustees will see fit to add to the present \$12,000,000 endowment fund of the China Medical Board, Inc., with the statement that that was its final gift and that the China Medical Board, Inc., and the College must so plan the future as to operate on a self-supporting basis.

The Foundation has had four Presidents and one Chairman. The first President who, as already stated, was your present Chairman, served four years as President and has continued to serve since as Chairman. Dr. Vincent, whose ability as an administrator, whose breadth of view, tact and delightful personality, not to mention his gift as a public speaker, made the organization strong within and won for it world-wide understanding and confidence, was the second President and served for thirteen years. Dr. Mason followed as President for seven years and was succeeded by Mr. Fosdick, the present President, who has served for four years.

There have been forty-nine Trustees. In addition to the

nine incorporators already named and omitting those Trustees who form the present Board, the others were:

CHARLES W. ELIOT, President, Harvard University, who served 4 years.

A. BARTON HEPBURN, President of the Chase National Bank, who served 8 years.

HARRY EMERSON FOSDICK, who in 1921 resigned to make way for the election of his brother, Raymond Fosdick (apparently on the theory that one Fosdick at a time was all the Board could cope with), 6 years.

MARTIN A. RYERSON, Industrialist; President of the Board of Trustees of the University of Chicago from its organization and one of the ablest and most useful Trustees the Foundation ever had, 13 years.

FREDERICK STRAUSS, Banker; member of the firm of Seligman & Co., wise in counsel, broad in outlook, sound in judgment, indefatigable in service, 16 years.

WALLACE BUTTRICK, Clergyman; President and Chairman General Education Board, abounding in common sense and kindness, who had the rare gift of declining a request so that the applicant went away not only entirely satisfied as to why it could not be granted, but also his grateful friend, 10 years.

CHARLES E. HUGHES, Chief Justice of the Supreme Court, 5 years, from 1917 to 1921, when he resigned to fill the position of Secretary of State; and again, 3 years, from 1925 to 1928, when he was retired as he has facetiously put it, "because his judgment was

no longer regarded as of value to the Foundation although he was appointed the following year Chief Justice of the Supreme Court," total of 8 years.

JULIUS ROSENWALD, Merchant, Sears Roebuck; Philanthropist, 15 years.

GEORGE E. VINCENT, President, University of Minnesota; President of The Rockefeller Foundation, 13 years.

JOHN G. AGAR, Lawyer; an able and devoted Trustee, 9 years.

JOHN W. DAVIS, Lawyer; Ambassador to Great Britain, 18 years.

VERNON L. KELLOGG, Zoologist; permanent Secretary of the National Research Council, 13 years.

WILLIAM ALLEN WHITE, Editor, *The Emporia Gazette*, 13 years.

DAVID L. EDSALL, Dean, Harvard Medical School and School of Public Health, 9 years.

HERBERT SPENCER HADLEY, Lawyer; Governor of Missouri, who died shortly after his election, never having attended a meeting.

JAMES R. ANGELL, President, Yale University, 8 years.

TREVOR ARNETT, Vice-President, University of Chicago; President, General Education Board and International Education Board, 8 years.

CHARLES P. HOWLAND, Lawyer, 4 years.

ANSON PHELPS STOKES, Clergyman; Secretary, Yale University; Dean, Washington Cathedral, 4 years.

AUGUSTUS TROWBRIDGE, Physicist; Dean, Graduate School, Princeton University, 6 years.

OWEN D. YOUNG, Lawyer; Chairman of the Board, General Electric Company, 12 years.

ARTHUR WOODS, Police Commissioner, New York City; associated with Mr. Rockefeller, Jr., 7 years.

MAX MASON, Physicist; President, University of Chicago; President of The Rockefeller Foundation, 7 years.

Let me say a few words now in regard to the financial aspect of the Foundation's work.

My father's first gift made, as already stated, in 1913, was \$3,200,000 under a deed of trust dated January 6, 1913. Including that and the eleven other gifts he made between the years 1913 and 1927, his gifts to the Foundation, figured at the market price of the day on which each was made, aggregated.....\$182,851,480.90

To this total was added, on January 3, 1929, upon the consolidation of the Foundation with The Laura Spelman Rockefeller Memorial, the then Principal Fund of the Memorial of \$53,006,878.84 (\$32,487,957.50 of this sum was a free balance of funds, the remainder representing unpaid appropriations).

The total of all gifts and appropriations made by the Foundation to December 31, 1939 was....\$323,094,097.93

Of this total (including obligations taken over from The Laura Spelman Rockefeller Memorial)

Gifts from principal amounted to.. \$94,213,748.86

Gifts from income to..... 228,880,349.07

These gifts may be classified as follows:

Public Health, through International Health Division.....	\$70,834,718.28
Peking Union Medical College.....	34,348,324.84
Medical Sciences.....	63,636,039.70
Natural Sciences.....	28,416,350.96
Social Sciences.....	42,807,502.01
Humanities.....	13,909,672.83
Founder's Designations (May 22, 1913 to July 19, 1917).....	5,678,598.93
War Work—1914-1922.....	22,323,540.96
Miscellaneous.....	41,139,349.42
	<hr/>
	\$323,094,097.93

Of this total, there was expended

For work in the United States,

59 per cent or..... \$191,202,884.10

For work in foreign countries,

41 per cent or..... 131,891,213.83

The funds remaining in the hands of the Foundation as of March 15, 1940, after deducting \$19,153,183.77 set aside to cover unpaid commitments were. . \$151,278,565.44 representing market value as of that date.

The future of the Foundation, Gentlemen, is in the hands of yourselves and your successors. The degree to which the Foundation's policies are kept flexible, so that it may quickly turn from a field where its usefulness is lessening or which others are occupying, to new fields where the need is greater and pioneer work required; the extent to which it is sensitive to the changing needs of

humanity, ready to minister to them where it wisely can, and constantly on its guard lest it become rigid and self-complacent, will largely determine the measure of its usefulness and the breadth of its service to mankind in the years to come.

Any attempt to keep the hand of the past on the pulse of the future, to solve the problems of tomorrow with the mechanisms of yesterday can, at best, be only indifferently successful. Feeling strongly on this point, I recall with satisfaction the action taken at the last meeting of the Trustees, held at Williamsburg, the ultimate effect of which will be to appropriate the Foundation's funds within the next two or three decades and terminate its activities.

If the second half of the Foundation's history shall write as thrilling, as dramatic a story of world-wide service as the first half has, the Founder will have served his day and generation in an unprecedentedly fruitful manner, and we who have been the chosen instruments of his benefactions will have the abiding satisfaction of knowing that we have each had a part with him in promoting the well-being of mankind throughout the world.

In retiring as your Chairman and as a fellow Trustee, I want to record my appreciation of your uniform courtesy, consideration and cooperation; to have you know how happy I have been in this association with you and with what complete confidence I leave in your hands the work to which, as the son of the Founder, I have counted it one of the greatest opportunities of my life to devote the best there was in me.

I am proud, also, to think that the grandson of the

Founder is having the privilege of association with you, which his father has so long enjoyed. His courageous, impartial, loyal devotion to the high purpose of the Founder, you can always count on, as I do.

In your President you have a man whom I have known intimately and worked closely with in many and diverse fields for more than a quarter of a century. He has had and will always have my fullest confidence and truest affection. If his life had been spent in preparation for the unique and important position which he now occupies, he could not have been better fitted to fill it. I look forward with high hopes and complete assurance to what under his leadership you will do with the trust that has been reposed in you.

And, finally, may I say that the greatest compliment you can pay me—the one request I make of you—is that, following the precedent of the General Education Board, you permit me to retire as “just a trustee.”

AT THE CONCLUSION of the Chairman's address, Dr. Ray Lyman Wilbur presented the following minute:

Mr. Chairman:

There come times when the rulings of the Chairman rest lightly on those who hitherto have been willing to follow his orderly procedures. Such a time we of the Foundation are facing today, for our leader of the years is relinquishing his unused gavel and is doing so out of respect for the calendar with its imperious ways. It permits us to think in terms other than those of policy or of giving funds for worthy objects. It allows us to display for once that deep-seated affection and admiration we all have for our Chairman, and which we ordinarily conceal in our characteristic American way.

It is important that our minutes should show that the outstanding trait we have learned to appreciate in John D. Rockefeller, Jr., is his genuineness, which means the quality of wearing well. Since the day of its incorporation in 1913 The Rockefeller Foundation has had his constant, conscientious and prayerful help. He served as its first President from 1913 to 1917 and has been its Chairman ever since.

No man has ever had just such a responsibility and no man will be able exactly to repeat it. His keen sense of duty and his high standards of responsibility in seeking the very best officers to work with him, have made the history of The Rockefeller Foundation one that is the pride of every informed American. Mr. Rockefeller's simple way, his essential humility, have led us more or less to take him for granted; but now we see him standing with those in this

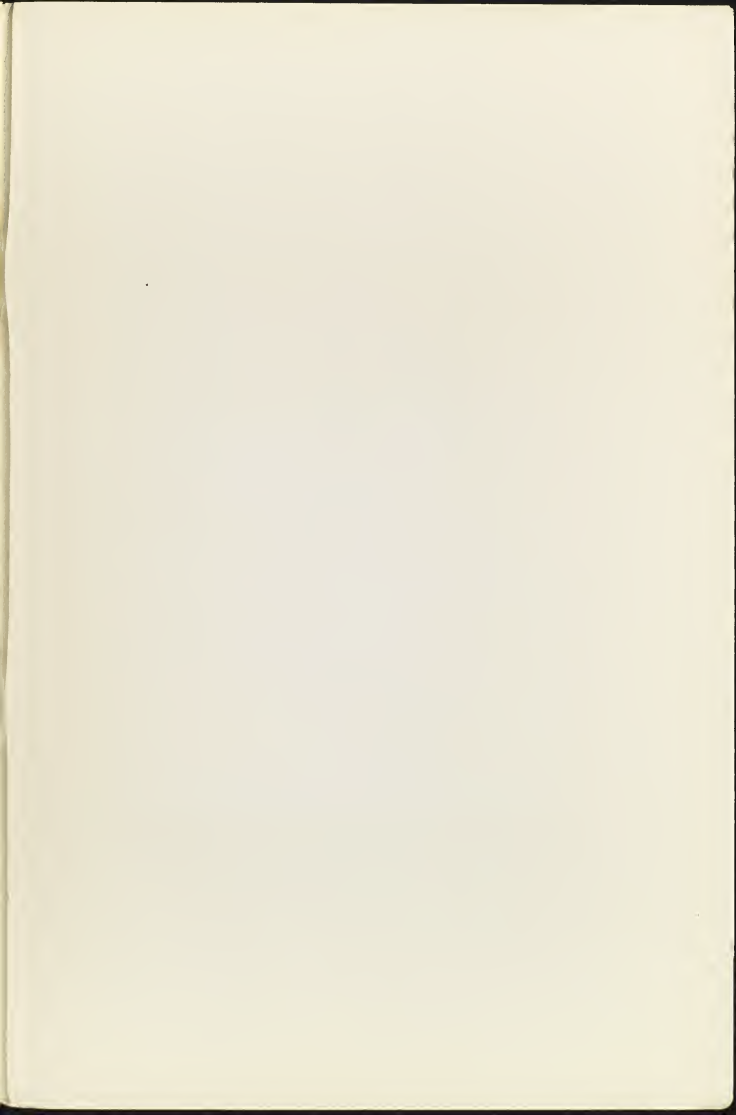
generation who have done most for the human race. It has been an honor for us to serve with him.

As he leaves his active work with the Foundation we of the Board of Trustees wish him and all of his family, especially Mrs. Rockefeller, that sense of accomplishment which means happiness. We trust that Nature will be kind to him as he has compelled it to be kinder to millions through scientific discoveries and their practical application throughout the world.

All of us who have worked with him return gratitude for his many personal kindnesses and consideration, and wish above all to record our high regard and affection for him as a man.

The following action was then taken:

Resolved that the foregoing minute be adopted and spread upon the records of this meeting, and that a suitable copy thereof be sent to Mr. Rockefeller.



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